ORIGINAL

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EX PARTE OR LATE FILED

March 2, 2000

Ms. Magalie Roman Salas, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: **Re: Ex Parte Statement**
CC Docket No. 98-147 (Collocation)

Dear Ms. Salas:

The attached Ex Parte letter was sent to Mr. William Kehoe on March 1, 2000. Please enter it into the record of the above referenced docket.

Sincerely,

Attachment

James K. Smith
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March 2, 2000

Mr. William Kehoe
Policy and Program Planning Division
Federal Communications Commission
445 12th Street, S.W.
5th Floor
Washington, D.C. 20554

Dear Mr. Kehoe:

The purpose of this correspondence is to elaborate more fully on the points discussed in our February 17, 2000 meeting.

Space Reservation

SBC reviewed its position on space reservation and the intervals that are required to reserve space for future growth of network equipment. Based on the technical limitations of equipment, SBC believes that the appropriate interval for space reservation to ensure the efficient use of both the floor space and equipment is current year plus 20 for Switch, Power, MDF, and DCS, other wise known as common equipment, and current year plus 2 for Transport equipment.

SBC also believes that this period of time for space reservation may no longer be acceptable to regulators, and is agreeable to reserve space for common equipment in current year plus 10 and transport as current year plus 2. SBC has significant reservations, however, concerning the impact that this shorter interval will have on its ability to engineer and place equipment that is needed to serve both the retail and wholesale customer segments.

Various examples of the technical constraints were discussed. For example, Switching and DCS equipment both have lead length limitations based on the actual design of the equipment and the need for signals to be sent and responses received within specified time frames. When these limitations cannot be met, the equipment cannot be grown. The switching equipment has the additional requirement that it be fed by a single power source, and if that power source can no longer be grown the net result is that the switch also cannot be grown. Power equipment has floor loading requirements that are double that required for normal equipment placement and additionally has the need for increased air circulation, 1 ½ times the normal air exchange rate, to remove the hydrogen gas produced by the batteries.

Another engineering concern that faces SBC with these reduced space reservation intervals, is related to building additions. Studies performed show that building additions take from 20 months for a simple addition up to 43 months to build a new building and transfer a portion of the service to the new building. The transport interval of current year plus 2 is adequate for the majority of building additions which tend to fall in the lower range. However, further reduction in the transport growth interval is not feasible as it would not provide SBC with adequate lead time to be able to continue to meet retail and wholesale transport demand in a building exhaust situation.

In addition, the compressed space reservation intervals will cause an increased frequency of building additions and replacements. In some instances this may even require construction of new buildings and a split of the existing wire center serving arrangement. These instances would increase costs for SBC and CLECs. CLECs would have to establish additional collocation arrangements in the new central office building to be able to continue to access loops previously served out of the original building. In addition, when a new wire center is built the amount of space recovered in the original building is relatively small, so it may not allow additional collocation. SBC is not always able to recoup entire bays of space from the switching equipment due to the requirements to load balance the equipment within the line modules. Additional transport equipment would also be required to communicate with the new office, therefore the space recouped from the transport equipment would be minimal.

Security

Network reliability is a major concern to SBC, and as the Commission has noted in its Advanced Services Collocation Order (FCC 99-48, "Order", para. 48), the ability to secure SBC network equipment is a critical factor in providing service to customers. The key to securing equipment is through limiting access. Our experience has been that most incidents that cause network outages are the result of mistakes, not sabotage. However, it is important to note that the backdrop for this experience has been a secured central office environment where the opportunity for sabotage has been minimized. The FCC has given the ILEC the right to secure its equipment from harm through enclosing it in a cage (Order at para. 42), just as the collocators have the right to secure the equipment that they collocate in the ILEC premises.

Security is not only important to SBC. For instance, one CLEC has security requirements at its premises that go much further than those implemented by SBC. In order to locate equipment at this CLEC's premise, even at its request, SBC's access to its equipment is limited to business hours unless prearranged, and the CLEC determines the dimensions and location of the space for SBC's equipment. Many CLECs continue to opt for more secure arrangements when they collocate in SBC premises, relying on individual caged collocation and cabinetized cageless collocation.

The cost for the movable partitions that SBC uses to secure its equipment should be recovered from the CLECs, as the advent of collocation has created the need for this additional security measure. However, it is important to note that the enclosure of SBC's equipment with these

partitions is treated as the least cost option. SBC has indicated that where it places partitions it will only charge the lessor of the cost of the partitions or alternative security measures such as security cameras. In addition, SBC has agreed that the placement of partitions will not be the basis for a claim that space is legitimately exhausted, and therefore does not lessen the space available for collocation. SBC has also agreed that the use of partitions will not interfere with a CLEC's access to its equipment.

SBC's enclosure of its equipment in a cage is a reasonable and equitable measure that permits SBC the same option that CLECs have for securing their networks.

Space Assignment

SBC believes that it has responsibility for planning for the efficient use of its floor space, including the allocation of space for collocation. SBC's allocation of space for collocation is performed in a manner to meet the FCC nondiscrimination requirements that SBC not utilize unreasonable segregation requirements to impose unnecessary additional costs on collocators or to decrease the amount of available collocation space. Order at para. 42. It is also consistent with the FCC requirements that ILECs must allow cageless collocation in any unused space, subject to technical feasibility and permissible security parameters (Order at para. 42), in that it is designed to allow SBC to provide permissible security measures by enclosing its equipment within a cage. SBC does currently and will continue to work with collocators regarding their preferences for placement of their equipment within the collocation area. This is limited only by technical feasibility and space constraints, required to maintain adequate ingress and egress to space, that are necessary to meet safety requirements

Conversion of Virtual Collocation to Physical Collocation

Physical collocation and virtual collocation are addressed separately in the FCC's orders. Each has its own set of conditions and rules. The FCC insisted that the collocators be given the opportunity to choose which form of collocation best suited their needs. Local Competition Proceeding, CC Docket No. 96-98, *First Report and Order* (FCC 96-325) 11 FCC Rcd 15499 (1966) at paras. 549-552 ("Local Competition Proceeding First Report & Order"). Therefore careful consideration should be given to any decision that would impact the rules and associated requirements of physical and virtual collocation.

In-place conversion of virtual collocation to physical collocation should not be required because it denies SBC the ability to adequately secure its equipment. An additional factor to be considered is that this conversion would allow collocators to game the FCC's physical collocation rules. SBC is willing to evaluate collocators' requests for conversion on an individual case basis. Assuming that SBC's ability to secure its equipment by enclosing it in a cage (Advanced Services Collocation Order (FCC 99-48) at para. 42) is not compromised, that agreement can be reached regarding transfer of equipment, and that the conversion is not compromising the first come first served or reservation of space principles (FCC Rule 51.323(f)(1)), SBC will work with the requesting CLEC to convert the virtual arrangement in place. In cases where these issues cannot be resolved, the collocator may still convert its virtual

collocation arrangement to physical collocation by obtaining a physical arrangement and rolling the circuits.

The FCC recognized that collocators would not have access to virtually collocated equipment as stated in the Local competition Proceeding First Report and Order at para.559:

> "Under virtual collocation, interconnectors are allowed to designate central office transmission equipment dedicated to their use, as well as to monitor and control their circuits terminating in the LEC central office. Interconnectors, however, do not pay for the incumbent's floor space under virtual collocation arrangements and have no right to enter the LEC central office."

Based on these restrictions on access to virtually collocated equipment SBC's practice has been to install virtually collocated equipment in the same places that it would install SBC equipment without taking measures to separately enclose SBC equipment from virtually collocated equipment. Because SBC is responsible for all maintenance, repair, and security of virtually collocated equipment, it has been installed in the same manner as SBC equipment. The placement of this equipment was then driven only by logical electrical parameters and the desire for efficient use of central office space. Hence the equipment of SBC, and multiple virtual collocators, is sometimes mixed within a single bay.

The Advanced Services Collocation Order (FCC 99-48) at para. 49 is clear that collocators must have direct access to their physically collocated equipment 24 hours a day 7 days a week, without the need for a security escort. This is very different from the rules associated with virtual collocation. It also maintains the collocator's right to choose, and pay for, the collocation arrangement that best meets their needs, whether that need be for physical or virtual collocation.

In-place conversion could allow collocators access to equipment intermingled with SBC's equipment and other collocators' equipment, which would deny SBC and other collocators the right provided in the Advanced Services Collocation Order to protect their equipment. SBC chooses to protect its equipment, and the virtually collocated equipment that is under its physical control, by enclosing it in a cage where reasonable – a right which all collocators have in their collocation decisions, and a right that many continue to exercise in their decision to order caged collocation or cabinetized cageless installations.

Recent arguments to support in-place conversion, which contend that the Advanced Services Order requires ILECs to place collocation in any unused space, ignore two important conditions that were included in that requirement: technical feasibility and security measures. To quote directly from the language in the FCC Order 99-48, at paragraph 42, the FCC states, "Subject only to technical feasibility and the permissible security parameters outlined below, incumbent LECs must allow competitors to collocate in any unused space in the incumbent LEC's premises, without requiring the construction of a room, cage, or similar structure, and without requiring the creation of a separate entrance to the competitor's collocation space." (emphasis added) While it is obvious that the existing virtually collocated equipment is located in a technically feasible location in the sense that it does work, in most cases it is technically infeasible to provide secure ingress and egress to such space and in-place conversion would severely compromise, and often

completely frustrate, SBC's ability to adequately secure its network equipment by enclosing it or through other measures.

If an ILEC is forced to convert virtual collocation arrangements to physical arrangements in place, then the door is opened that allows collocators to gain physical collocation space where it would not otherwise be available. It circumvents the first come first serve rule associated with assigning collocation space. Collocator's that were waiting to obtain physical collocation space would be placed after those that chose virtual arrangements where there was not enough space for physical and then converted from virtual arrangements to physical arrangements. In addition, conversion in place would preclude the ILEC's ability to reserve space for future growth of its own equipment. This preclusion would occur because ILECs cannot deny requests for virtual collocation on the grounds of space limitations without first giving up their space that they have reasonably reserved for future use (unless the ILEC can prove that virtual collocation is not technically feasible at that point). FCC Rule 51.323(f)(5). If in place conversion were allowed, CLECs who really want physical collocation potentially could order virtual collocation in order to obtain the ILECs' reserved space and then convert it to physical. This ability to take the ILEC's reserved space would frustrate the FCC's Rule 51.323(f)(4), which allows ILECs to reserve space and would lead to what the FCC warned of when it found that "allowing competitive entrants to claim space that incumbent LECs had specifically planned to use could prevent incumbent LECs from serving their customers effectively." Local Competition Proceeding First Report and Order at para. 604.

For these reasons, the FCC should not order that virtual arrangements may be converted in place, but should allow the ILECs to work with each collocator individually to determine whether or not it is reasonable to convert an arrangement in place. The costs associated with each conversion should also be handled on an individual case basis, or set in cost proceedings handled by the states.

Web Posting of Full Premises

The Advanced Services Collocation Order (FCC 99-48), para. 58 states:

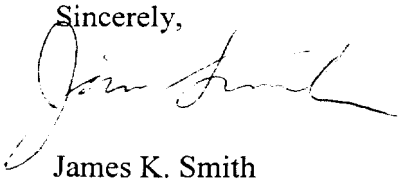
> "In addition to this reporting requirement, we adopt the proposal of Sprint that incumbent LECs must maintain a publicly available document, posted for viewing on the Internet, indicating all premises that are full, and must update such a document within ten days of the date at which a premises runs out of physical collocation space. Such requirements will allow competitors to avoid expending significant resources in applying for collocation space in an incumbent LEC's premises where no such space exists. We expect that state commissions will permit incumbent LECs to recover the costs of implementing these reporting measures from collocating carriers in a reasonable manner."

SBC recommends that the documentation requirement for premises that are closed to physical collocation be limited to central office locations. SBC believes that expansion of this

responsibility to include remote terminal (RT) locations (CEVs, huts and cabinets) would be both costly and overly burdensome to SBC and would not provide significant value to the CLECs. Based on what is reasonable and on footnotes 142 and 143 of Paragraph 58 of the Advanced Services Collocation Order (FCC 99-48), which speak of CLECs' needs for, and ILECs' provision of, information regarding space availability in central offices, SBC believes that the FCC's intent was for this requirement to apply to central office facilities.

In light of the large number of existing RTs in SBC's territory and the high percentage of those RTs which are cabinetized, such a requirement would not provide significant value to the CLEC, but rather would make the posting of full premises unnecessarily complex. Additionally due to the sheer size of the undertaking, it would be administratively burdensome to SBC and would result in an unnecessarily high cost to maintain such information, which would be recovered from collocating carriers. SBC will work with the collocators, and identify the available space based on their requests on an as needed basis.

Sincerely,



James K. Smith

cc: John Reel